The purpose of a government is to make it easy for people to do good and difficult to do evil

- Gladstone
Crisis of Governance

- Increasing lawlessness
- Inefficient state apparatus
- Unresponsive bureaucracy
- Ineffective judicial system
- All pervasive corruption
- Criminalization of politics
- Money and muscle power in elections
- Political instability
- Erosion of legitimacy of authority
Distortions of State Power

- Positive Power restricted
  Negative power unchecked

- All organs are dysfunctional

- A system of alibis
  Victims of vicious cycle

- Change of players
  No change in the rules of the game

- Political process ought to be the solution
  But has become the problem itself
Governance at a Glance

- Governments spend Rs. 1800 crores every day
- Out of 27 million organised workers, government employs 70%
- Fiscal deficit (Union and States) remains at 10% GDP
- 50% Union tax revenues go towards interest payment
Is Money the issue?

**Sanitation**
- 140 million toilets needed
- Cost: Rs 35000 crores
- Equals just 20 days expenditure

**School Education**
- 1.6 million class rooms needed
- Capital cost : Rs 16,000 crores – 9 days govt. expenditure
- Recurring expenditure : Rs.8000 crores – 5 days govt. expenditure
In a Sane Democracy

- Political process should resolve the crisis
- Parties, elections and public office are the route to reform
- In India a vicious cycle operates
System Caught in a Vicious Cycle

- Inexhaustible demand for illegitimate funds
- Most expenditure incurred for vote buying
- Rise of political fiefdoms
- Vote delinked from public good
- Taxes delinked from services
- Political survival and honesty incompatible
- Social divisions exacerbated
- Competence and integrity excluded
- National parties marginalized
Interlocking vicious cycles

Inexhaustible demand for illegitimate funds

Illegitimate Money Power

Political Power

Corruption
Most Expenditure is to Buy Votes

Voter seeks money & liquor

More expenditure

Large spending may or may not lead to success, but failure to spend almost certainly leads to defeat

Greater corruption

Greater cynicism

Voter seeks more money

Contd...
Rise of Political Fiefdoms

Need for money, caste and local clout

Parties are helpless in choice of candidates

Rise of political fiefdoms

Absence of internal party democracy

Competition among a few families in most constituencies

Oligopoly at constituency level
Centralized polity

No matter who wins, people lose

Vote does not promote public good

Voter maximizes short-term gain

Money, liquor, caste, emotion and anger become dominant

Vicious cycle is perpetuated
Taxes Delinked From Services

Only 16% of GDP collected as taxes (Union & States)

Fiscal deficits and crisis

Higher Taxes
Unacceptable because of corruption and poor services

Desubsidization
The poor do not see alternative benefits for the subsidies given up

Wage Reduction
Centralization and Art 311 preclude it

Deeper fiscal crisis

Poorer services and public goods

Perpetuation of poverty and backwardness

Contd..
Parliamentary executive

Government survival depends on legislative majority

Legislators spend a lot of money to get elected

They need multiple returns to sustain the system

Corruption and misgovernance endemic

Government has to yield to legislators’ demands

Corruption is perpetuated even if government has the will

Honesty not compatible with survival
Social Divisions Exacerbated

FPTP
- Scattered minorities unrepresented
- Marginalization and Ghettoization
- Strategic voting and vote-bank politics
- Obscurantists become interlocutors drowning voices of reason and modernity
- Politicians pander fundamentalists
- Counter-mobilization of other groups based on primordial loyalties
- Communal polarization and strife
Competence and Integrity Excluded

FPTP

Need for money power and caste clout

Honest and decent elements have little chance

Bad public policy and incompetent governance

Deepening crisis
FPTP

- Only a high threshold of voting ensures victory
- Parties with 35 - 50% vote, or social groups with local dominance get elected
- Significant but scattered support pays no electoral dividends
- Voters prefer other “winnable” parties
- Marginalization of reformers, and national parties
- Regionalization of polity & perpetuation of status quo
Representational Distortions

FPTP

Women & deprived sections not represented

Reservation with rotation is arbitrary and leads to proxies

Perpetuation of dominance of traditional groups

Representational illegitimacy

Contd..
Campaign Expenditure – Vicious Cycle

- Illegitimate expenses are often 5-10 times the ceiling or more
  
  (Assembly ceiling: Rs 6 lakhs
  Lok Sabha ceiling: Rs 15 lakhs)

- Every crore spent illegitimately
  
  Rs 10 crore returns
  
  (to cover ROR, Interest, personal upkeep, supporters, family’s future, next election costs)
  
  Rs 100 crore collected through bureaucracy
  
  (for every legislator, there are 2000 employees who need to collect ‘rent’)

  People suffer ten times more.
  
  (Payment extorted, on pain of delay, harassment, humiliation, anxiety and greater loss)
Economic Reform

- Political consensus available
- Process irreversible
- Continuity of policy
- Stridency not to be confused with substance
- Young Indians (71% below 34 yrs of age) in favour of markets
- Rule of Law and sanctity of contracts - record is mixed
- Political games do cause delays (eg. disinvestment)

Contd..
Things are Improving

- Telecom sector
- Railway freight
- Improved highways – rapid execution
- 6-7% growth still sustained
- Population control in Tamil Nadu, AP, etc
- Governance and control of corruption are on the agenda
- States competing for investment and growth
- Young people are ambitious, educated and hungry for success
- Liberalization process has unlocked the economic potential of India
Can Economic Reforms Alone Deliver?

- Smaller and more focused government will help

- But government still has large role
Irreducible Role of Government

- Public order
- Rule of law
- Justice
- School education
- Healthcare
- Infrastructure
- Natural resource development
- Social security
Inadequate Social Sector Spending

- Education – only 3.2% GDP
- Functional literacy 30-40%
- Crisis of higher education
- Healthcare – only 0.9% of GDP
- Population growth rates still too high 1.94%
25% of hospitalized Indians fall below the poverty line because of hospital expenses.

81% of outpatient care is provided private healthcare

Only 40% inpatient care is provided public healthcare

Only 17% of Health expenditure in public sector

Very high reliance on out-of-pocket expenditure – Georgia, Cambodia, Myanmar and Afghanistan
### Priorities in Public Spending

<table>
<thead>
<tr>
<th>Country</th>
<th>PE on Education as % of GDP</th>
<th>PE on Health as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>4.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Germany</td>
<td>4.6</td>
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<tr>
<td>United States</td>
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<td>5.8</td>
</tr>
<tr>
<td>OECD</td>
<td>5.2</td>
<td>8.1</td>
</tr>
<tr>
<td>India</td>
<td>3.2</td>
<td>0.9</td>
</tr>
</tbody>
</table>
What the Reform Process Has Not Attempted So Far

- Freeing ordinary citizens from shackles of government bureaucracy
- Strengthening agriculture
- Reducing corruption
- Promoting transparency
- Enhancing accountability
- Enforcing rule of law
- Building adequate infrastructure
- Improving public services
Persistent Regulatory Shackles

- The long arm of state hurting economic activity and livelihoods
  eg: rickshaw pullers, hawkers, etc.

- Extortionary corruption debilitating industry
  ➔ Customs
  ➔ Central excise
  ➔ Commercial taxes etc

- Absence of reforms to generate demand for labour
Unintended Consequences of Early Phase of Reforms

- One time grand corruption – golden goose effect
- Abdication of state in critical areas
- Corruption shifting to sovereign areas
- Continuing regional disparities
What does the Citizen Expect?

- Justice
- Dignity
- Vertical mobility
Justice

- Not the esoteric or romantic concept of justice
- Even mere fair and speedy adjudication, reparation for rights violated, and swift trial to punish the guilty are beyond the reach of citizens
- The poor and the under privileged are the worst sufferers.
  - The case of dog-bite
  - The case of police van accident
- Yet simple solutions are available
Dignity

Elimination of

- Hunger
- Drudgery
- Public defecation
- Caste or religious discrimination
- Child labour
- Persistent regulatory shackles - the self employed in Delhi
Vertical Mobility

- Education as a tool of empowerment
- Health care:
  - 83% private, mostly out-of-pocket expenditure
  - Hospitalized Indians spend 58% of annual income on an average
  - 40% of hospitalized Indians are forced to sell assets or borrow at usurious rate (60 – 100%)
  - 25% of those hospitalized fall below poverty line because of hospital cost
  - 33% children have proper immunization
- Basic amenities
- Water
The Track Which Impedes

Players (drivers)

Democratic Institutions (Engine)

Railings / Track

(political system)
Synergies

- System building
- Capacity building for empowerment
- Assertion for entitlement
Way out

- Assert people’s sovereignty
- Fundamental democratic transformation
- People centered governance
Key Governance Reforms

- Comprehensive electoral reforms
- Empowerment of local governments
- Instruments of accountability
- Speedy and efficient justice
Electoral Reforms

- **Process Improvements**
  - Preventing polling irregularities
  - Arresting and reversing criminalization of politics
  - Checking abuse of unaccountable money power in elections

- **System Improvements**
  - Political party reform
  - Proportional representation
  - Direct election of Chief Executive at the State level with clear separation of powers
Empowerment of Local Governments

- Transfer of funds, functions and functionaries to local governments
- Link between
  - vote \(\iff\) public good
  - taxes \(\iff\) services
  - authority \(\iff\) accountability
Instruments of Accountability

- Right to Information
- Independent crime investigation
- Independent appointment of constitutional functionaries
- Independent and effective anti-corruption agency
- Term limits for public office
- Strict penalties for abuse of office
- Citizen’s Charters
- Stakeholder empowerment
Judicial Reforms

- Local courts in local language (Gram Nyayalaya)
- Time bound justice
- Procedural improvements
- Removal of corrupt judges – Maharashtra pattern
- All India Judicial Service
- Independent crime investigation
- National Judicial Commission
What can Civil Society do?

- When political process fails, the ball is with citizens, the ultimate sovereigns
- Local assertion
- State-level reforms
- National platform for larger reforms
What can Citizens do?

- Resist misgovernance
- Check corruption
- Influence public discourse
- Channel resources better
- Enforce better services
- Bring pressure for reforms
Approaches to Citizens’ Action

- Collective, informed assertion
- Wide dissemination of information
- Effective mass communication
- Strategic intervention
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Conditions for State-Wide movement

- A group of credible citizens with excellent track record
- Insights to political and governance process
- A practical agenda which unites all segments
- Professional, full-time, institutional approach
- Democratic participative decision making
LOK SATTA – Organisation – Election Tiers

3372 People’s committees (About 100,000 members)

480 Sub-district level federated groups

24 District chapters(all 23 Districts)

(9-member elected Managing Committee)

Apex Committee (About 140 members. 4 – 6 representatives per district)

Coordination Committee (51 Elected Members)

Secretariat (16 Elected Members)
Approaches to Citizens’ Action

- Collective, informed assertion
- Wide dissemination of information
- Effective mass communication
- Strategic intervention
Methods of Citizens’ Action

- People’s watch
- Election watch
- Swarajya
- Specific issue advocacy
People’s Watch

- Collective informed assertion
- People’s charter
- Lok Satta as platform
- Fight against corruption
- Fight for better delivery of public services
Advocacy and campaign for specific reform goals

Choice of goals

- Locally achievable
- No cost / low cost
- Universally acceptable
- Strategic goals opening many doors
Swarajya – Reform Goals

- Right to Information
- Citizen’s Charters
- Empowerment of local governments
- Empowerment of stake holders
- Universally accessible school education
- Speedy justice through rural courts
- Toilet for every household
Election Watch

- Voter verification and registration
- Screening of candidates
- Know your candidates
- Common platforms
- State-level debates
- Training of volunteers
- Monitoring of polling process

...contd.
Election Watch

- Does not aim to affect the outcome
- Election time is ripe for awareness campaign
- Focus on remediable flaws
- Pressure on parties and candidates
- Idea of accountability
Citizens Initiatives – LOK SATTA’s Experience

- Mass mobilization
- Think tank functions
- Effective advocacy
Impact of LOK SATTA

- Citizen’s charter with penalty – first in India
- Prevention of short delivery at petrol stations – Rs 1 crore a day
- Laws to empower stakeholders in AP – Schools and Irrigation
- Toilets for every household as public policy – over 3 million built
- Prevention of restrictive societies law enactment
- Several local successes against corruption
- Public awareness campaigns on right to information
Impact of LOK SATTA

- Election Watch – arresting growth of criminalization and forcing disclosure
- Common electoral rolls in most states (Local Governments and Assembly)
- Power sector – decentralized distribution agenda
- Local Governments – 1 crore signature campaign
- Electoral reforms on national agenda
- Post office as nodal agency for voter registration
- Political funding law reform
- A viable model for women’s reservation
Impact of LOK SATTA

- Freezing of number of Parliamentary Constituencies in states
- 97th amendment strengthening anti-defection law and limiting size of ministry
- Health agenda – National Health Mission
- Liberation of cooperatives – constitutional amendment on the anvil
- Local court on the anvil
- Indian Judicial Service on the anvil
- National Campaign for Political Reforms
Funding of LOK SATTA

- Large volunteer base is chief resource.
  - About 300 full time
  - About 5000 part time
  - About 50,000 in short builds
- Significant in-kind support
  - Infrastructure, printing, services etc.,
- Public Contributions
  - No funds from government or foreign organizations
  - only Indians wherever they are
  - individual or corporate
  - unconditional funding
Some Perspectives on Resources for Non-profits

- Incentives need to be strengthened – 100% exemption under 80G
- Spirit of voluntarism and participation needs to be promoted
- Complementarity between just and harmonious society, good governance and economic growth needs to be recognized.
- Synergies between various civil society groups need to be explored
- Barriers between government and society need to be lowered – stake-holders empowerment, decentralization, collaboration in delivery, tools of deliberative democracy, inputs in policy making and legislation
Two Paths - Choice is Ours

German example vs USSR example

- Freedom enhancing
- Democratic
- Orderly
- Integrating
- Growth-oriented

- Tyrannical
- Chaotic
- Disintegrating
- Debilitating
“Never doubt that a group of thoughtful, committed individuals can change the world. Indeed it is the only thing that ever did”

- Margaret Meade